



DEPARTMENT OF HIGHER EDUCATION & WORKFORCE DEVELOPMENT

COMPLIANCE UPDATE **By Kim Slote, Assistant Associate**

PRESIDENTIAL ACTION

President Donald Trump issued three memorandums and one executive order, on Aug. 8, 2020, for Coronavirus relief. The directives grant additional student loan relief and provide a payroll tax cut, enhanced unemployment benefits and an eviction moratorium. A brief summary of each document is listed below with the associated link.

STUDENT LOANS

This presidential memorandum extends a moratorium on student loans held by the federal government. The CARES Act provisions that include suspending loan payments and reducing interest rates to 0% are set to expire on Sept. 30, 2020. President Trump directed Secretary DeVos to extend several student loan benefits contained in the Cares Act until Dec. 31, 2020. Private student loans are not covered, since the government would need to repay those providers. The president lacks the authority to direct funds for that purpose.

<https://www.whitehouse.gov/presidential-actions/memorandum-continued-student-loan-payment-relief-covid-19-pandemic/>

UNEMPLOYMENT INSURANCE

For millions out of work during the COVID-19 outbreak, the president moved to keep paying a supplemental federal unemployment benefit. The memorandum calls for payments up to \$400 each week, which will be funded 75% by the federal government and 25% by states. The federal government had been covering the full cost of the \$600 supplement, which expired in July. The payments will last through Dec. 6, 2020 or until the Department of Homeland Security Disaster Relief Fund balance falls to \$25 billion.

<https://www.whitehouse.gov/presidential-actions/memorandum-authorizing-needs-assistance-program-major-disaster-declarations-related-coronavirus-disease-2019/>

PAYROLL TAX DEFERRAL

Based on this memorandum, employers can defer collecting the employee portion of the payroll tax, effective Sep. 1 through Dec. 31, 2020. This includes the 6.2% Social Security tax on wages. The purpose is to increase take home pay for employees making less than about \$104,000 a year. The payroll tax deferral equals approximately \$1,200 through the end of the year. However, employees will need to repay the federal government eventually if Congress does not act to forgive the tax. Employers may choose to continue collecting the tax and set it aside to meet that future obligation.

<https://www.whitehouse.gov/presidential-actions/memorandum-deferring-payroll-tax-obligations-light-ongoing-covid-19-disaster/>

EVICITION CRISIS

A federal eviction moratorium expired in July that protected renters living in federally subsidized apartments or units with federally backed mortgages. In this executive order, the president directed the Treasury and Housing and Urban Development departments to identify funds to provide aid to those struggling to pay their monthly rent. In addition, HUD was directed to take action to help renters and homeowners avoid eviction or foreclosure. While it does not explicitly ban evictions, the order does give the housing authority wide power to stop evictions. For example, the risk of COVID-19 spread in a community can be used as a reason to prevent eviction.

<https://www.whitehouse.gov/presidential-actions/executive-order-fighting-spread-covid-19-providing-assistance-renters-homeowners/>